

**COMMENTS ON THE 2009 RESIDENTIAL REAL-TIME PRICING ANNUAL REPORTS**

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**TO ALL PARTIES OF RECORD IN DOCKET NOS. 06-0691/06-0692/06-0693 (Consolidated) and 06-0617**

**PRESENTED TO**

**THE ILLINOIS COMMERCE COMMISSION**

**by**

**THE ILLINOIS COMPETITIVE ENERGY ASSOCIATION**

**JUNE 11, 2009**

## **INTRODUCTION**

The Illinois Competitive Energy Association ("ICEA") appreciates the opportunity to comment on the Residential Real-Time Pricing Program Annual Reports of the Ameren Utilities and Commonwealth Edison Company ("ComEd") to the Illinois Commerce Commission ("ICC" or "Commission"). The ICEA is an Illinois not-for-profit corporation established as an Illinois-based trade association that represents the interests of competitive energy suppliers, including licensed alternative retail electric suppliers ("ARES"), and others interested in preserving and enhancing opportunities for customer choice and competition in the electric and natural gas industries in Illinois.

ICEA's members include some of the largest and most active ARES operating in Illinois, such as Ameren Energy Marketing, Champion Energy, LLC, Constellation NewEnergy Inc., Direct Energy Services, LLC, Exelon Energy Company, Integrys Energy Services, Inc., MC Squared Energy Services, LLC, and Nordic Energy Services, LLC. These companies serve commercial, industrial, and public sector customers including the manufacturing industry; retail businesses; the State of Illinois and local units of governments; cultural, sporting, and educational institutions; as well as hospitals, hotels, and restaurants. The ICEA member companies desire to bring the benefits of choice and competition to residential and small commercial electric customers that commercial, industrial, and public sector customers now enjoy.

## **COMMENTS ON THE RESIDENTIAL REAL-TIME ANNUAL REPORTS**

The ICEA member companies do not currently serve residential electric customers. However, with the pending revision of the Part 412 Rules and the implementation of uniform consolidated billing and purchase of receivables program at the Ameren Utilities, implemented successfully in October 2009, and at ComEd, scheduled for roll-out in January, 2011, the opportunity for ARES to offer alternatives to residential customers may become a reality at about the same time that the four year--three years for Ameren Utilities--residential real-time pricing program term is ending and the legislatively mandated cost benefit analysis is undertaken.

Pursuant to Section 16-107 of the Public Utilities Act, an assessment of the net benefits of these programs must be developed at the conclusion of the 2010 program year. In general, the ICEA supports utility retail rate designs that accurately reflect wholesale market signals because incorporation of those price signals in electric supply rates enables competition in the retail electric market. While there are some differences between the Ameren Utilities and ComEd program rates (Ameren Utilities rates are MISO day-ahead prices and ComEd rates are real-time PJM prices), both programs by design and legislative mandate truly incorporate a timely transfer of wholesale market price signals to customer's electric supply rates. Therefore, the ICEA supports an open, rigorous and well planned cost benefit analysis process for these programs. Specifically, the ICEA appreciates and lauds the Ameren Utilities Annual Report effort to "preview" the 2010 methodology in their 2009 report.

As stated in the Ameren Utilities Report, “This preview offers the opportunity for a full year of review and discussion of refinement of the methodology before the final net benefit assessment results need to be completed in 2010.”

## **RECOMMENDATION TO THE COMMISSION**

The ICEA recommends that ICC Staff and ComEd inform stakeholders of their views on the evaluation methodology as proposed in the Ameren Utilities Report and advise whether the same methodology should be applied to the 2010 evaluation of the ComEd Residential Real-Time Pricing program. The ICEA does not purport to be an expert on proper evaluation processes, but due to the importance of the evaluation of these programs as it relates to the future of the rate design for the electric rates of residential customers, ICEA supports an open discussion and refinement of the methodology prior to the development of the net benefit assessment.

Respectfully submitted,  
Kevin K. Wright  
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